

Message Text

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PAGE 01 STATE 188203
ORIGIN ARA-14

INFO OCT-01 ISO-00 L-03 SSO-00 SS-15 SAB-02 CCO-00
INR-07 INRE-00 H-01 /043 R

DRAFTED BY ARA/PAN:RCAMAUR
APPROVED BY ARA/PAN:ENADEAU
L MBFELDMAN

-----060885 100043Z /62
Z 100029Z AUG 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY PANAMA FLASH

C O N F I D E N T I A L STATE 188203

STADIS////////////////////////////////////

E.O. 11652: GDS

TAGS: PBOR, PN

SUBJECT: PAYMENTS TREATY LANGUAGE

REF: MOSS/FELDMAN, NADEAU, CAMAUR TELCONS

1. THE FOLLOWING DRAFT TEXT ON THE TREATY PAYMENTS
ARTICLES IS PROVIDED IN RESPONSE TO YOUR URGENT TELEPHONIC
REQUEST. THIS REPRESENTS OUR BEST EFFORTS GIVEN THE
SHORT TIME FRAME FOR THE REQUIREMENT AND OUR GENERAL
UNDERSTANDING OF COMMITMENTS MADE AND PREPARED TO BE
MADE. DEPT. WILL WANT TO REVIEW THESE TEXTS MORE
CAREFULLY WHEN NEGOTIATORS RETURN IN LIGHT OF SPECIFIC
UNDERSTANDINGS WITH THE GOP.

2. THE TEXT FOR THE ARTICLES REQUESTED IS AS FOLLOWS:

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(A) AN ANNUAL PAYMENT AT THE RATE OF THIRTY HUNDREDTHS OF A
UNITED STATES DOLLAR (\$0.30) PER NET PANAMA CANAL TON, OR
ITS EQUIVALENCY, OF ALL VESSELS TRANSITING THE CANAL AFTER
THE ENTRY INTO FORCE OF THIS TREATY. (THE RATE OF THIRTY
HUNDREDTHS OF A UNITED STATES DOLLAR PER NET PANAMA CANAL
TON, OR ITS EQUIVALENCY, WILL BE ADJUSTED PERIODICALLY IN
PROPORTION TO CHANGES IN AN APPROPRIATE PRICE INDEX OF THE

UNITED STATES TO BE DESIGNATED BY THE UNITED STATES OF AMERICA. IN THE EVENT THE UNITED STATES SHALL DETERMINE THAT A METHOD OF ADJUSTMENT OTHER THAN A PRICE INDEX OF THE UNITED STATES SHOULD BE APPLIED, THE UNITED STATES SHALL SUBMIT THE SAME TO THE REPUBLIC OF PANAMA FOR ITS ACCEPTANCE.)

(B) A FIXED ANNUITY OF TEN MILLION UNITED STATES DOLLARS (\$10 MILLION); AND

(C) AN ANNUAL PAYMENT OF UP TO TEN MILLION DOLLARS PER YEAR, TO BE PAID OUT OF THE OPERATING REVENUE OF THE CANAL ADMINISTRATION TO THE EXTENT SUCH REVENUES EXCEED ITS EXPENDITURES, INCLUDING PAYMENTS MADE PURSUANT TO THIS TREATY, FOR THE PREVIOUS CANAL OPERATING YEAR. (IN THE EVENT OPERATING REVENUES OF THE CANAL ADMINISTRATION IN ANY YEAR DO NOT PRODUCE A SURPLUS SUFFICIENT TO COVER THIS PAYMENT, OR ANY PART THEREOF, THE UNPAID BALANCE SHALL BE PAID FROM OPERATING SURPLUSES IN FUTURE YEARS, IF ANY, ON A SCHEDULE OF PAYMENTS TO BE DETERMINED BY THE UNITED STATES.)

(D) THE PAYMENTS PROVIDED FOR IN THIS ARTICLE SHALL BE MADE ON (DECEMBER 31) OF EACH YEAR.

CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, COMPENSATION, CANALS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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ISecure: 1
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Review Withdrawn Fields: n/a
SAS ID: 1645112
Secure: OPEN
Status: NATIVE
Subject: PAYMENTS TREATY LANGUAGE
TAGS: PBOR, EWWT, PN, US
To: PANAMA
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